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Country cooperation frameworks and related matters

The successor programming arrangements

Earmarkings for the target for resource assignment from the core for 2001-2003

I. Purpose

1. Pursuant to the request of the Executive Board in paragraph 12 of its decision 99/2, the preliminary target for resource assignment from the core (TRAC) figures under line 1.1.1 for individual recipient countries were provided at the second regular session 1999 (see document DP/1999/27).

2. In the present document, the Administrator provides the revised and final TRAC earmarkings for 2001-2003.

II. TRAC earmarkings for 2001-2003

3. UNDP will consider revisions to the base year (1997) gross national product (GNP) per capita for resource distribution purposes within one year after the calculations of the preliminary TRAC earmarkings.[1] Thereafter, a revision will be considered only if (a) there is a variance of at least 10 per cent from the figure originally used, or (b) the revised GNP per capita falls below one of the thresholds used in the calculations or used to establish government local office cost (GLOC) obligations. No downward adjustments of preliminary figures are made where there are increases in the GNP per capita.

4. Since the adoption of Executive Board decision 99/2 and the subsequent calculation of preliminary TRAC earmarkings, the 1997 GNP per capita estimates for 45 countries have been revised downward. This has resulted in higher TRAC earmarkings for 20 countries. The preliminary TRACs for the remaining 25 countries were determined by the floor principle and the calculations using the revised lower GNP per capita does not result in earmarkings above the earlier established floor amounts.

Earmarking for East Timor

5. In its decision 2000/2, the Executive Board approved the allocation of $5 million to East Timor for the period 1999-2000. As reliable GNP per capita data is not available for East Timor, this figure represents in essence an agreement on the minimum critical mass of TRAC resources required for an initial two-year period. (The only estimate available is a 1996 figure of $431 gross domestic product (GDP) per capita cited in the East Timor Joint Assessment Mission Report.)

6. Given annual total resources of $750 million, the figure of $5 million would correspond with a TRAC earmarking for the period 1999-2000 calculated on the

[1] See paragraph 4 of Governing Council decision 88/8; and decisions 93/24 and 92/30, in which the Executive Board *took note of paragraph 17 of document* DP/1993/21, and paragraph 13 of document DP/1992/22.

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basis of a 1994 GNP per capita of around $290, taking into consideration the independence bonus.

7. Hence, in view of the lack of reliable GNP per capita data, the figure of $290 has been used for calculating a TRAC earmarking for 2001-2003. This results in a preliminary earmarking from TRAC line 1.1.1 of $4,911,000 for the three-year period. This figure will be reviewed once a more reliable 1997 GNP per capita becomes available.

Unallocated reserve

8. In accordance with its decision 99/2, the Executive Board established an unallocated reserve of $30 million to finance, *inter alia*, $3,330,000 of TRAC requirements related to net contributor countries (NCCs) and any upward revisions that arise from changes to 1997 data reported during 1999.

9. The total increase in TRAC resources from line 1.1.1 and 1.1.2 resulting from changes in data and the establishment of an earmarking for East Timor amounts to $28,749,000 for the three-year period. The TRAC earmarkings for NCCs has decreased from $3,330,000 to $2,330,000 as Chile's GNP per capita has fallen below the NCC threshold of $4,700. Consequently, with only $30 million in the reserve, the total amount of $31,075,000 in additional TRAC earmarkings and earlier established allocations related to NCCs cannot be fully funded. However, the unfunded amount of $1,075,000 should be considered in the light of the dynamic resource planning process of UNDP and can be accommodated in the context of future assignments from line 1.1.2 and/or further adjustments in TRAC earmarkings based on available resources.

Effects on the overall distribution of earmarkings

10. Table 1 below provides a summary of the final earmarkings for total TRAC resources under lines 1.1.1 and 1.1.2 for the period 2001-2003, broken down by category of country and by region. Table 2 provides the final earmarkings under line 1.1.1 for individual recipient countries, grouped by region. The calculations are based on latest available 1997 World Bank data on GNP per capita. Those countries where changes have occurred are shown with an asterisk.

11. In its decision 99/2, the Executive Board also decided that NCCs are to be treated as a separate group of programme countries outside the TRAC distribution model. The respective TRAC-1 earmarkings for the grace period were to be calculated at 60 per cent of their previous TRAC and to be financed from the unallocated reserve. (See document DP/1999/27 for details on the new arrangement.) Table 3 below shows the complete list of NCCs as of 2001, based on revised 1997 GNP per capita data and the current threshold of $4,700. As of 2001 there are three new NCCs.

12. It may be recalled that an important element of the successor programming arrangements was the attainment of the target of $1.1 billion annually for total resources for 2001-2003. The TRAC figures shown in the tables below have been calculated using this financial framework.

13. It should be noted, however, as explained in document DP/1999/27, that the Administrator is authorized to adjust programming levels on a proportionate basis in line with estimates of resource availability for the period vis-à-vis the planning target (in accordance with paragraph 25 of decision 95/23). Thus, in releasing resources for programming, the annualized TRAC earmarkings shown in tables 2 and 3, as well as the earmarkings for all other programme lines of the financial framework, will be adjusted on an across-the-board basis, in keeping with the latest estimates of voluntary contributions taking into account the provisions of the biennial budget approved by the Executive Board.

III. Executive Board action

14. The Executive Board may wish to take note of the final TRAC earmarkings under line 1.1.1 as shown in tables 1, 2 and 3 of the present document.

Table 1. Final earmarkings for TRAC 1.1.1 and 1.1.2 for 2001-2003 by category of country and by region
(based on $3.3 billion in total resources for the period)

	(Millions of dollars)			As percentage of total TRAC	
	Preliminary	Final	Difference	Preliminary	Final
Total earmarking for TRAC-1 and 2	1,738.8 [a/]	1,767.5 [b/]	28.7	100	100
of which:					
Low-income countries [c/]	1,530.1	1,557.5	27.4	88	88
Middle-income countries	208.7	210.0	1.3	12	12
of which:					
LDCs	1,068.6	1,074.3	5.7	61	61
Non-LDCs	670.2	693.2	23.0	39	39
Regional distribution					
Africa	843.7	846.1	2.4	49	48
Asia and the Pacific	526.3	542.9	16.6	30	31
Arab States	140.8	144.0	3.2	8	8
Latin America and the Caribbean	85.2	88.0	2.8	5	5
Europe and the Commonwealth of Independent States	142.8	146.5	3.7	8	8

a/ This amount is equal to 53.6 per cent of the resources covered by the financial framework and incorporates transfers approved in paragraphs 4 (a) and 5 (b) of decision 98/19; excludes $30 million of undistributed reserve.

b/ This amount excludes TRAC earmarkings for new net contributor countries (NCCs) equal to $2,326,000 (See Table 3).

c/ Low-income countries with a GNP per capita of $375 or less increased from $1,124,000 or 64.6 per cent to $1,151,000 or 65.1 per cent of total TRAC.

Table 2. Final earmarkings for TRAC line 1.1.1 by country for 2001-2003

Region		LDC status	1997 GNP per capita a/	TRAC-1
			dollars	millions of dollars
Africa	ANGOLA	LDC	250	18.238 *
	BENIN	LDC	380	9.787
	BOTSWANA		3 270	0.895
	BURKINA FASO	LDC	240	18.427 *
	BURUNDI	LDC	140	16.197
	CAMEROON		620	7.698
	CAPE VERDE	LDC	1 260	1.177
	CENTRAL AFRICAN REPUBLIC	LDC	320	8.439
	CHAD	LDC	220	14.547 *
	COMOROS	LDC	400	2.809
	CONGO		690	3.241
	CÔTE D'IVOIRE		720	7.623
	DEMOCRATIC REPUBLIC OF THE CONGO	LDC	110	34.152
	EQUATORIAL GUINEA	LDC	870	2.064
	ERITREA	LDC	230	10.483
	ETHIOPIA	LDC	110	38.528
	GABON		4 160	0.316
	GAMBIA	LDC	340	5.741
	GHANA		400	11.680
	GUINEA	LDC	570	8.464
	GUINEA-BISSAU	LDC	230	6.968
	KENYA		340	14.535
	LESOTHO	LDC	680	4.149
	LIBERIA	LDC	490 b/	5.957
	MADAGASCAR	LDC	250	18.948
	MALAWI	LDC	220	19.195
	MALI	LDC	260	17.637
	MAURITANIA	LDC	440	5.963
	MAURITIUS		3 830	0.483
	MOZAMBIQUE	LDC	180	23.955
	NAMIBIA	LDC	2 110	1.465
	NIGER	LDC	200	18.962
	NIGERIA		280	30.508
	RWANDA	LDC	210	16.294
	SAO TOME AND PRINCIPE	LDC	290	1.348
	SENEGAL	LDC	530	10.188 *
	SIERRA LEONE	LDC	160	13.056
	SOUTH AFRICA		3 680	2.940
	SWAZILAND		1 520	0.642
	TOGO	LDC	350	9.089
	UGANDA	LDC	320	18.255
	UNITED REPUBLIC OF TANZANIA	LDC	200	25.476 *
	ZAMBIA	LDC	370	13.581
	ZIMBABWE		710	7.561
Africa total				507.660

Table 2 (continued)

Region		LDC status	1997 GNP per capita a/	TRAC-1
			dollars	millions of dollars
Asia and the Pacific	AFGHANISTAN	LDC	260 b/	21.370
	BANGLADESH	LDC	350	36.454
	BHUTAN	LDC	440	5.693
	CAMBODIA	LDC	280	17.050 *
	CHINA		710	36.060 *
	COOK ISLANDS		3 150 b/	0.134
	DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA		860 b/	5.582
	EAST TIMOR		290 c/	4.911 *
	FEDERATED STATES OF MICRONESIA		1 890	0.198
	FIJI		2 560	0.328
	INDIA		430	47.790
	INDONESIA		1 110	13.126
	IRAN (ISLAMIC REPUBLIC OF)		1 510	1.452
	KIRIBATI	LDC	1 130	0.567
	LAO PEOPLE'S DEMOCRATIC REPUBLIC	LDC	390	8.748 *
	MALAYSIA		4 550	0.966
	MALDIVES	LDC	1 070	1.100
	MARSHALL ISLANDS		1 610	0.193
	MONGOLIA		400	5.005
	MYANMAR	LDC	300 b/	25.061
	NEPAL	LDC	220	22.274
	NIUE		2 310 b/	0.096
	PAKISTAN		490	21.826 *
	PALAU		4 060 b/	0.046
	PAPUA NEW GUINEA		1 010	4.101
	PHILIPPINES		1 200	7.209
	SAMOA	LDC	1 160	0.786
	SOLOMON ISLANDS	LDC	880	1.048
	SRI LANKA		800	8.179
	THAILAND		2 740	3.225
	TOKELAU		1 020 b/	0.202
	TONGA		1 770	0.204
	TUVALU	LDC	1 190 b/	0.267
	VANUATU		1 340	0.369
	VIET NAM		330	24.128
Asia and the Pacific total				325.746

Table 2 (continued)

Region		LDC status	1997 GNP per capita a/	TRAC-1
			dollars	millions of dollars
Arab States	ALGERIA		1 530	1.334
	DJIBOUTI	LDC	790 b/	1.678
	EGYPT		1 200	7.568
	IRAQ		2 450 b/	0.978
	JORDAN		1 230	2.046 *
	LEBANON		3 350	0.952
	MOROCCO		1 250	4.005 *
	SOMALIA	LDC	140 b/	21.340
	SUDAN	LDC	270	21.729 *
	SYRIAN ARAB REPUBLIC		1 120	4.940
	TUNISIA		2 080	0.985
	YEMEN	LDC	270	18.837
Arab States total				86.393
Latin America and the Caribbean	BELIZE		2 730	0.127
	BOLIVIA		970	5.265
	CHILE		4 690	1.168 *
	COLOMBIA		2 560	1.445
	COSTA RICA		2 720	0.595
	CUBA		1 450 b/	1.758
	DOMINICA		3 080	0.151
	DOMINICAN REPUBLIC		1 700	2.201
	ECUADOR		1 530	1.749
	EL SALVADOR		1 800	1.368
	GRENADA		3 140	0.159
	GUATEMALA		1 580	1.468
	GUYANA		790	2.539
	HAITI	LDC	380	12.235
	HONDURAS		710	4.446 *
	JAMAICA		1 580	0.563
	MEXICO		3 940	1.864
	NICARAGUA	LDC	370	8.802 *
	PANAMA		3 020	0.438
	PARAGUAY		1 920	0.725
	PERU		2 600	1.642
	SAINT LUCIA		3 690	0.143
	SAINT VINCENT AND THE GRENADINES		2 480	0.237
	SURINAME		1 320	0.440
	TRINIDAD AND TOBAGO		4 320	0.325
	VENEZUELA		3 560	0.988
Latin America and the Caribbean total				52.841

Table 2 (continued)

Region		LDC status	1997 GNP per capita a/	TRAC-1
			dollars	millions of dollars
Europe and the Commonwealth of Independent States	ALBANIA		750	4.871 *
	ARMENIA		520	4.877 *
	AZERBAIJAN		440	8.125 *
	BELARUS		2 040	0.835
	BOSNIA AND HERZEGOVINA		530 b/	3.942
	BULGARIA		1 170	3.578
	CROATIA		4 640	0.511
	ESTONIA		3 360	0.378
	GEORGIA		880	5.599
	HUNGARY		4 510	0.834
	KAZAKHSTAN		1 350	2.302
	KYRGYZSTAN		480	5.737
	LATVIA		2 300	0.504
	LITHUANIA		2 280	0.788
	POLAND		3 790	1.181
	REPUBLIC OF MOLDOVA		500	5.705
	ROMANIA		1 410	1.720
	RUSSIAN FEDERATION		2 610	2.024
	SAINT HELENA		640 d/	0.287
	SLOVAK REPUBLIC		3 680	0.561
	TAJIKISTAN		340	8.454
	THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA		1 330	2.117
	TURKEY		3 200	1.633
	TURKMENISTAN		650	4.369
	UKRAINE		1 010	9.162 *
	UZBEKISTAN		1 010	6.955 *
	YUGOSLAVIA		1 590 b/	0.840
Europe and the Commonwealth of Independent States total				87.888
Grand Total				1,060.529 e/

* Indicates a change has occurred.

a/ World Bank data (World Bank Atlas method) unless otherwise indicated.

b/ 1997 per capita GNP preliminary estimates provided by the World Bank are used.

c/ See paragraph 5 of this document.

d/ 1997 per capita GNP estimates as extrapolated from 1994 data are used.

e/ Equal to 60 per cent of total TRAC resources (line 1.1.1 and 1.1.2) of $1,767,500.

Table 3. TRAC-1 earmarkings for new net contributor countries for 2001-2003, and reimbursable TRAC-1 for the year 2000

NCC by region	1997 per capita GNP a/	TRAC-1 earmarking for 2001-2003 grace period	Reimbursable TRAC-1 for 2000
	dollars	millions of dollars	
Africa			
SEYCHELLES b/	6 910	-	eligible
Asia and the Pacific			
BRUNEI DARUSSALAM	25 030 c/	-	
NAURU	29 110 d/	-	
REPUBLIC OF KOREA	11 390	-	
SINGAPORE	32 960	-	
Arab States			
BAHRAIN	8 280	-	
KUWAIT	18 320 c/	-	
LIBYAN ARAB JAMAHIRIYA	7 200 c/	-	eligible
OMAN	5 070 c/	-	eligible
QATAR	13 410 c/	-	
SAUDI ARABIA	7 320	-	
UNITED ARAB EMIRATES	20 340	-	
Latin America and the Caribbean			
ANGUILLA b/	6 640 e/	-	eligible
ANTIGUA AND BARBUDA b/	8 260	-	eligible
ARGENTINA b/	8 160	-	eligible
ARUBA	21 170 c/	-	
BAHAMAS	12 760 c/	-	
BARBADOS	7 690 c/	-	eligible
BERMUDA	34 590 c/	-	
BRAZIL f/	4 800	1.501	
BRITISH VIRGIN ISLANDS	17 600 c/	-	
CAYMAN ISLANDS b/	32 120 c/	-	eligible
MONTSERRAT b/	6 300 c/	-	eligible
NETHERLANDS ANTILLES	11 820 c/	-	
SAINT KITTS AND NEVIS b/	6 050	-	eligible
TURKS AND CAICOS ISLANDS b/	6 920 e/	-	eligible
URUGUAY f/	5 980	0.500	
Europe and the Commonwealth of Independent States			
CYPRUS	12 090	-	
CZECH REPUBLIC f/	5 310	0.324	
MALTA	12 440	-	
SLOVENIA b/	9 920	-	eligible
Total		2.326	

a/ World Bank data (World Bank Atlas method) unless otherwise indicated.

b/ Grace period applies only to 1997-1999.

c/ 1997 per capita GNP preliminary estimates provided by the World Bank are used.

d/ 1997 per capita GNP estimates as extrapolated from 1994 data are used.

e/ 1997 per capita GDP estimates provided by the World Bank are used.

f/ New NCC as of 2001.